

Question on Notice TAL08QON

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CHAIR: Taking off my hat as chair of the economics committee, I'm also Chair of the Parliamentary Friends for Action on HIV/AIDS, Blood Borne Viruses and Sexually Transmitted Infections, and it was brought to my attention recently that HIV-positive Australians aren't eligible for life insurance, even though all the treatment options would now make it completely unjustifiable to deny it. I'm just wondering whether that is the case or not for a life insurance product.

Mr Clark: I would have to check that. There has been a lot of evolution of underwriting processes in relation to a whole host of medical conditions in recent years. As the medical profession gets better at dealing with medical issues and as the insurance industry assesses those treatment options, underwriting approaches change all the time. I'd have to check exactly, more broadly, where we are around HIV conditions.

CHAIR: That would be good. The average life expectancy of somebody who is HIV-positive is now exactly the same, basically, as that of any other member of the community, thanks to the wonders of modern medicine and treatment options. But my understanding is that some products are still denied to people. You make a point about underwriting, but it sounds to me like that may not be reflecting contemporary practice. I would appreciate if you'd look at that. Mr Swanson?

Mr Swanson: Yes, I'd have to check that too, but I would say that, in a number of instances, I'm aware of people who have been able to get what are called limited-duration covers. Instead of having it to the age of 65, as an example, it's for the next 15 years. But I'd need to come back to you with specific details.

CHAIR: So both of you will effectively take that on notice.

TAL response:

TAL does provide life insurance cover to Australians who are living with HIV and HIV positive status does not automatically exclude coverage for life insurance.

There are different ways a customer can access life insurance with TAL.

1. Individual life insurance

Australians who are living with HIV can apply for individual life insurance from TAL through a financial adviser. As with all customers who seek cover in this way, the person would be required to undergo underwriting, where their health and other circumstances are assessed to determine the level or type of cover that may be offered.

This underwriting process includes requesting a medical report from the person's doctor containing information on their broader health history and, if that person is living with HIV, the report would be required to include information on the status of their HIV health.

Based on the totality of information assessed during this process, including relevant information unrelated to that person's HIV status, cover may be offered. In some circumstances, the cover offered may be tailored to their specific circumstances and underwriting outcomes.

If a person is already insured with TAL at the time of becoming HIV-positive, it does not affect their insurance or their benefits, and they would be fully covered for any claim arising

in relation to their health which meets the terms of their policy, provided the customer had complied with their duty of disclosure at application/underwriting stage.

2. Group insurance in superannuation

People who are:

- members of a superannuation fund; and
- covered by the default insurance cover arranged by the trustees of the fund

receive automatic insurance cover, without any medical underwriting. This means a person who is living with HIV does not need to disclose their status (or any other personal medical information) to be covered. At the time of claim, their HIV-positive status would not influence the outcome of a claim with TAL.

If a person seeks to upgrade their insurance above the level of cover offered by the trustee's default group insurance policy, they will go through a similar underwriting process as they would for an individual life insurance policy. This means the person would have the same disclosure obligations and be subject to the same underwriting processes as with individual life insurance.